BIOMMUNE TECHNOLOGIES INC.
Suite 1780 – 400 Burrard Street, Vancouver, BC, Canada

Form 51-102F1

Management's Discussion & Analysis of Financial Condition and Results of Operations for the Financial Year Ended November 30, 2014

Date: March 24, 2015

Management's Discussion and Analysis

The following management discussion and analysis (MD&A) of the financial information of bioMmune Technologies Inc. (the "Company") and results of operations should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended November 30, 2014. The audited consolidated financial statements, together with the following MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The audited consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 24, 2015. The information contained within this MD&A is current to March 24, 2015.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian Dollars unless noted otherwise.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These forward-looking statements can generally be identified as such because of the context of the statements, including such words as "believes", "anticipates", "expects", "plans", "may", "estimates", or words of a similar nature. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from anticipated future results and/or achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made. Readers are therefore advised to consider the risks associated with any such forward-looking statements, which speak only as of the date the statements were made and readers are advised to consider such forward-looking statements in light of the risks set forth herein.

Overview

The Company was incorporated on January 28, 2011 pursuant to the *Business Corporations Act*, British Columbia, under the name MC Partners Inc. as a capital pool company as defined by Policy 2.4 (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc. (formerly bioMmune Technologies Inc.) ("BAT"), a private company formed to commercially exploit a number of patents and patent applications that surround three technologies. The acquisition constituted the Company's Qualifying Transaction pursuant to the CPC Policy of the Exchange. On May 22, 2013, the Company changed its name to bioMmune Technologies Inc. and BAT changed its name to bioMmune Advanced Technologies Inc. The Company is a Tier 2 Research and Development Issuer engaged in the research and development of products for the treatment of cancers and for improvement of the immune system, trading on the Exchange under the trading symbol "IMU".

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Overall Performance

Share Capital

During the year ended November 30, 2014, the Company issued 175,000 common shares at $0.10 per common share in relation to the exercise of 175,000 options and the Company issued 1,048,667 common shares at $0.25 per common share and 484,750 common shares at $0.10 per common share in relation to the exercise of warrants.

Stock Options
On January 27, 2014, the Company granted 200,000 stock options to a consultant providing advisory services to the Company. The options are exercisable at a price of $0.25 per share for a period of two years. The fair value of the stock options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 1.00%; expected dividend rate of 0%; expected volatility of 81%; and expected life of two years. These options vest every three months from grant date for one year. The fair value of the options that vested for the year ended November 30, 2014 was calculated at $16,352, which was recognized as share-based payment expense.

Appointment of Director
On December 16, 2014, the Company appointed Dr. Terry Pearson to its Board of Directors.

Financial Position
The consolidated statement of financial position as of November 30, 2014 indicates a cash position of $394,711 (2013: $44,030). Other current assets comprise short-term investment of $nil (2013: $1,105,468), GST receivable of $22,165 (2013: $21,754) and prepaid expenses of $77,678 (2013: $6,542). Non-current assets at November 30, 2014 comprise computer equipment of $687 (2013: $1,528) and intangible assets of $1,042,053 (2013: $1,127,853).

Current liabilities at November 30, 2014 total $90,793 (2013: $73,470) comprising audit fees of $17,000 (2013: $17,000), research and development fees of $55,416, (2013: $31,718), legal fees of $2,150 (2013: $17,859), investor relations and marketing of $7,875 (2013: $nil), consulting fees of $2,625 (2013: $nil) and general administrative expenses of $5,727 (2013: $6,893).

Shareholders' equity is comprised of share capital of $3,033,758 (2013: $2,670,961), reserves of $246,653 (2013: $214,348) and a deficit of $1,833,910 (2013: $651,604).

Share capital increase of $362,797 is a result of the following:

- $26,625 in relation to the exercise of 175,000 stock options, including the fair value transfer on exercise of the options of $9,125; and
- $336,172 in relation to the exercise of 1,533,417 warrants, including the fair value transfer on exercise of the warrants of $25,531.

Option reserves increased $111,684 as follows:

- A decrease of $9,125 in relation to the exercise of 175,000 stock options; and
- An increase of $120,809 in relation to the vesting of stock options during the year.

Warrant reserves decreased $79,379 as follows:

- $25,531 in relation to the exercise of 1,533,417 warrants; and
- $53,848 in relation to warrants expired during the year.

As at November 30, 2014, the Company has working capital of $403,761 (2013: $1,104,324).

The weighted average number of common shares outstanding, basic and diluted, for the year ended November 30, 2014 is 24,102,538 (2013: 15,178,798).

Intangible Assets

Cost	$
Balance, November 30, 2012	-
Additions	1,172,516
Balance, November 30, 2013	1,172,516
Additions	-
Balance November 30, 2014	1,172,516

Accumulated Amortization	$
Balance, November 30, 2012	-
Charge for the year	44,663
Balance, November 30, 2013	44,663
Charge for the year	85,800
Balance November 30, 2014	130,463

Carrying Value	$
Balance, November 30, 2013	1,127,853
Balance, November 30, 2014	1,042,053

On May 24, 2013, the Company acquired BAT and the difference between the purchase consideration and the fair values of BAT's net assets has been assigned to intangible assets ($854,827). Pursuant to the terms of the October 2012 patent assignment agreement with the University of British Columbia ("UBC"), the Company paid UBC an assignment fee of $300,000.

The asset is amortized over its estimated useful life, using the straight-line method. From the date of acquisition of the above patents, the estimated useful life is 13.7 years.

During the year ended November 30, 2014, the Company incurred research and development costs of $527,815 comprising lab work of UBC of $318,329 pursuant to research agreements as described above and legal fees of $209,486 associated with filing patent continuities as well as maintaining protection of patent applications currently owned by the Company.

Intangible assets consist of intellectual property surrounding the following three technologies:

1. Novel Histone Deacetylase Inhibitors (HDACis) that are able to increase antigen expression on the surface of tumour cells, making them more visible to the immune system. These HDACis will be useful as cancer therapeutics by harnessing the power of the immune system to attack and eliminate cancers.

   Many cancer cells, including those that are metastatic, escape immune recognition and elimination after selection by immune editing whereby tumour antigens are not properly displayed on the cell surface. These escape variants have deficiencies in the endogenous Antigen Processing Pathway (APP) and do not express sufficient Major Histocompatibility Complex I (MHC I) molecules and their associated tumour antigen peptides at the cell surface. Thus these tumour cells evade recognition by host immune surveillance mechanisms, making them resistant to immunotherapeutic approaches to elimination of cancer. We showed that by restoring the function of the Transporter of Antigen Processing 1 (TAP1) molecule in the Antigen Processing Pathway, the presentation of tumour antigens at the cancer cell surface was restored and immune responses were enhanced in metastatic disease. Research revealed that the mechanism leading to the TAP1 defect and poor antigen presentation is not regulated by mutations in the TAP-1 gene, but that it is epigenetically regulated and can be restored by treatment with HDACis. By developing a high-throughput screening assay and using a novel pharmacological assay from deep-sea sponge extracts BioMmune has identified several unique HDACis that induce antigen presentation in metastatic prostate and lung carcinomas.

   In February, 2014, the Company entered into an agreement with UBC whereby UBC conducted research to identify compounds that increase the expression of the Transporter of Antigen Processing 1 (TAP1) protein, a part of the Antigen Presenting Pathway (APP) and MHC 1 molecules on the surface of metastatic tumour cells, thereby increasing tumour antigen expression and rendering them visible to the immune system. During fiscal 2014, the Company paid UBC an aggregate of $130,000 to cover the cost of the research under the agreement, which terminated on January 31, 2015. The Company and UBC have agreed to amend the agreement to extend work through June of 2015. No further funding is anticipated at this time.

Much of the initial screening process has been completed and positive hits from the screening of the library of marine extracts were obtained. Preliminary results showed that several extracts increased TAP-1 and MHC I expression. From these extracts, new chemical structures that exhibit efficient restoration of the antigen processing pathway were identified. Screening of additional extracts and purified compounds was performed and several more active compounds were identified. One compound, curcuphenol was identified as a single active compound. Curcuphenol and four new analogues have been synthesized and produced in sufficient quantities to start animal testing; these 4 analogs have shown high activity in the induction of expression of MHC 1.

As at November 30, 2014, $58,329 was expensed and $71,671 remains in prepaid expenses to cover further UBC research through 2015. The Company does not anticipate any further significant expenditures to take this research into and through the preliminary animal testing stage. One analog of curcuphenol named PC-02-113 has already been tested was tested *in vivo*, and did not show any apparent acute toxicity, nor did it appear to have any cumulative toxicity over the course of the treatment. PC-02-113 appeared to be as effective as another well know HDAC inhibitor, in inhibiting the growth of tumours. TSA is a well-known HDACinh. Further work in 2015 will involve testing the other 3 curcuphenol analogs, curcuphenol, and newly identified HDACis for anti-tumor activity *in vivo*.

2. Regulation of immune system activity involved in diseases such as allergy, autoimmunity and cancer by antibody-mediated modulation of selected calcium channel activity.

   In January, 2014, the Company entered into an agreement with UBC whereby UBC is conducting research to derive antibodies that modulate the activation of specific calcium channels which are associated with the proliferation and induction of cells of the immune system. These antibodies are selected for their ability to modulate the function of white blood cells (lymphocytes) that are involved in animal models of a variety of human diseases and in transplantation of tissues and organs.

   The calcium channels on lymphocytes are a multi-member family comprised of more than 10 different proteins. The activity of these channels is regulated to control intracellular concentrations of calcium (Ca) which determines the proliferation and activity of cells involved in immune responses. Antibodies generated against different forms of the calcium channels may act as new calcium channel regulators and in some cases have been shown to inhibit the proliferation and functional differentiation of lymphocytes. Such antibodies may allow modulation of the immune system to combat cancers and infections and to control autoimmune diseases, allergy and transplantation responses. A large number of monoclonal antibodies (mAbs) have been derived against specific ectodomains of voltage-dependent calcium channel isoforms Cav 1-1, Cav1-2, Cav1-3 and Cav1-4. In 2015, selected mAbs will be used *in vivo* to determine their effect on modulation of immune responses, including anti-cancer activity.

   During fiscal 2014, the Company paid UBC $130,000 to cover the scope of this research. In addition, the Company has been very active on the patent "Methods and compositions for modulating voltage-gated calcium channel function" and has initiated worldwide patent application for this technology. The Company does not anticipate any further significant expenditures to take the calcium channel research into and through the preliminary animal testing stages.

3. Use of CD74 protein to control antigen presentation for regulation of the immune system. CD74 is a protein centrally involved in initiation of immune responses, thus the use of mechanisms or compounds that regulate CD74 activity will allow modulation of the immune system to combat cancers and infections and to control allergy, autoimmune diseases and graft rejection.

   Dendritic cells are part of the innate immune system and are the principal antigen-presenting cells that initiate adaptive immune responses. Dendritic cells take up dead cells and cellular debris containing antigenic proteins and process these exogenously derived antigens for ultimate display on the cell surface in the Major Histocompatibility Complex class I (MHC I) molecules. This process is essential for induction of immune responses against cancers and infectious organisms and its down-regulation will allow dampening of immune responses in autoimmune diseases, in allergic reactions and in transplantation. The discovery that CD74 mediates trafficking of MHC I to compartments for loading with peptides from exogenously derived antigens offers new avenues for controlling this activity, for example by engineering of hybrid molecules composed of CD74 and antigenic molecules for enhancing vaccine efficacy.

Cloning of the CD74 chaperone protein by genetic engineering is underway. CD74 gene constructs including DNA encoding peptides from viruses such as HIV and Influenza are being made and will be used to produce proteins in dendritic cells (the supreme antigen presenting cells). These antigen-presenting cells will be used to test their effect on increased immune responses *in vivo.*

During fiscal 2014, the Company paid UBC $130,000 to cover the scope of this research. The Company does not anticipate any further significant expenditures for this CD74 research into and through the preliminary animal testing stage.

Results of Operations

During the year ended November 30, 2014, the Company reported a net loss of $1,246,632 ($0.05 basic and diluted loss per share) compared to a net loss of $545,072 ($0.04 basic and diluted loss per share) during the year ended November 30, 2013. The increased loss is primarily due to the research agreements entered into with UBC, increased patent expenses and a full year of consulting fees in fiscal 2014, compared to 7 months of consulting fees in the previous year.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years.

	Year-Ended November 30, 2014	**Year-Ended November 30, 2013**	**Year-Ended November 30, 2012**
Total Revenues	$nil	$nil	$nil
Net Loss and Comprehensive Loss	$(1,236,154)	$(545,072)	$(92,085)
Net Loss per share, basic and diluted	$(0.05)	$(0.04)	$(0.03)
Total Assets	$1,537,294	$2,307,175	$417,794
Weighted Average Number of Shares Outstanding-basic	24,102,538	15,178,798	2,824,863
Weighted Average Number of Shares Outstanding-diluted	24,102,538	15,178,798	2,824,863
Shareholders' Equity	$1,446,501	$2,333,705	$393,709

Expenses increased year over year from the year-ended November 30, 2012 to November 30, 2013 as a result of the Company completing the Qualifying Transaction in May of 2013, in which it acquired BAT. As a result of the acquisition, expenses increased during the year-ended November 30, 2014, reflecting a full year of activity, engaging in research and development of its biotechnology.

Summary of Quarterly Results

The following table presents selected quarterly financial information of the Company for the eight most recently completed quarters of operation prepared in accordance with IFRS and expressed in Canadian Dollars.

	2014				**2013**			
	Qtr 4	**Qtr 3**	**Qtr 2**	**Qtr 1**	**Qtr 4**	**Qtr 3**	**Qtr 2**	**Qtr 1**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-	-	-	-
Net Loss	342,839	280,782	168,872	443,661	53,251	369,183	73,259	49,379
Basic and diluted Loss per share	0.02	0.01	0.00	0.02	0.00	0.03	0.01	0.00

Share-based compensation expense impacts expenses and net and comprehensive loss as follows: Q4 2014: $9,182, Q3 2014: $30,606, Q2, 2014: $36,632, Q1 2014: $44,389, Q4, 2013: $(148,550), Q3 2013: $266,059, Q2 2013: $nil, Q1 2013: $nil.

Subsequent to the completion of the Qualifying Transaction in Quarter 2 of 2013, the Company began actively moving forward with research and development. Quarter 1 of 2014 included $270,913 for research and development, reflecting the Company entering into three research agreements with UBC (see *Intangible Assets* above).

The Company's significant accounting policies are set out in Note 3 of the audited annual financial statements as at and for the year ended November 30, 2014.

Analysis of Annual and Quarterly Results

	Notes	Year ended November 30, 2014	Year ended November 30, 2013	Three months ended November 30, 2014	Three months ended November 30, 2013
		$	$	$	$
Accounting and audit fees	a)	17,300	40,968	17,000	15,393
Administrative and general office	b)	18,177	8,870	5,794	5,610
Amortization	b)	86,641	45,243	22,254	44,808
Bank charges and interest		1,805	1,086	265	322
Consulting fees	b)	306,500	140,780	86,750	70,250
Foreign exchange loss/(gain)	c)	27,750	1,538	9,937	661
Insurance	b)	10,550	3,808	2,693	3,368
Investor relations and marketing	b)	76,961	1,737	22,875	1,029
Legal fees	a)	2,551	64,609	-2,988	16,772
Research and development	d)	527,812	52,289	164,332	34,143
Share-based payments		120,809	117,509	9,182	148,550
Sponsorship	a)	-	24,500	-	-
Travel and conferences	e)	30,290	13,201	4,231	7,946
Transfer agent, listing and filing fees	a)	17,175	36,822	1,281	6,659

a) Accounting and audit fees, legal fees, sponsorship and transfer agent, listing and filing fees were higher in fiscal 2013 as a result of completion of the Company's Qualifying Transaction and the purchase of BAT late in the second quarter of 2013.

b) Administrative and general office, amortization, consulting fees, insurance and investor relations and marketing increased in fiscal 2014, reflecting the Company's becoming actively involved in research and development subsequent to the purchase of BAT.

c) Foreign exchange loss increased in fiscal 2014 due to higher US exchange rates.

d) Research and development in fiscal 2014 included a full year of patent maintenance as well as payments to UBC pursuant to research agreements (see *Intangible Assets* above).

e) Travel and conferences increased with management's attendance at various conferences during fiscal 2014 as well as travel to attend corporate meetings.

Liquidity & Capital Resources

The Company has financed its operations to date through the issuance of common shares.

	November 30, 2014	November 30, 2013
Working capital	$ 403,761	$ 1,104,324
Deficit	$ 1,833,910	$ 651,604

During the year ended November 30, 2014, net cash used in operating activities is $1,084,802 (2013: $410,759), comprising a loss of $1,236,154 (2013: $545,072) net of amortization expense of $86,641 (2013: $45,243), share-based payments of $120,809 (2013: $117,509), interest income of $1,874 (2013: $6,468), an increase in GST receivable of $411 (2013: $21,405), an increase in prepaid expenses of $71,136 (2013: $5,548) and an increase in accounts payable and accrued liabilities of $17,323 (2013: $4,982).

Cash generated from (used in) investing activities is $1,107,342 (2013: ($1,390,564)), comprising cash acquired from asset acquisition of $nil (2013: $10,544), purchase of intangible assets of $nil (2013: $300,000), computer and software purchases of $nil (2013: $2,108) and (purchase)/sale of a short-term investment of $1,107,342 (2013: $(1,099,000).

The Company does not expect its current capital resources to be sufficient to cover its operating costs and future research and development expenditures through the next twelve months. As such, the Company will seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto. If the Company is unable to obtain additional financing, management may be required to further curtail certain discretionary expenses. Actual funding requirements may vary from those planned due to a number of factors, including the progress on research and development initiatives. Cash from financing activities is $328,141 (2013: $1,427,599), comprising shares issued for cash of $328,141 (2013: $1,536,500) net of share issuance costs of $nil (2013: $108,941).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

The following is a summary of related party transactions that occurred during the years ended November 30, 2014 and 2013:

Key Management Compensation:

Services provided by:		**2014**	**2013**
RBH Consulting Inc.	(a)	$ 96,000	$ 48,000
Judi Dalling	(b)	65,000	32,500
Cydweli Consultants Inc.	(c)	78,000	30,000
John Morgan	(d)	-	280
Share-based payments		88,901	100,623
		$327,901	$ 211,403

a) RBH Consulting Inc. is a privately held corporation controlled by a Robin Hutchison, a director and Executive Chairman of the Company, who provided consulting services to the Company.
b) Judi Dalling, the CFO of the Company, provided consulting services to the Company.
c) Cydweli Consultants Inc. is a privately held corporation controlled by Dr. Reinhard Gabathuler, President and CEO of the Company, who provided consulting services to the Company.
d) John Morgan, formerly a director of the Company, provided consulting services to the Company.

All related party transactions are measured at fair value.

Other related party transactions include:

On May 24, 2013, as part of the acquisition of BAT, a director of the Company acquired direct ownership of 1,325,000 common shares of the Company and control and direction over an additional 1,325,000 common shares, collectively representing approximately 11.03% of the Company's issued and outstanding common shares.

Included in accounts payable and accrued liabilities is $1,310 (2013: $4,084) payable to directors, officers and companies owned by directors and/or officers.

Proposed Transactions

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the consolidated financial statements for the year ended November 30, 2014.

Commitments over the next five years are as follows:

2015	$	327,000
2016		317,000
2017		317,000
2018		317,000
2019		317,000
	$	1,595,000

Effective February 1, 2014, the Company entered into consulting agreements as follows:

i. Corporate development agreement with Hamza Thindal Capital Corporation to provide advisory services related to capital markets for a fee of $5,000 per month for a period of 12 months; and

ii. Agency agreement with Pure Advertising & Marketing Inc. to provide advisory services related to advertising, marketing and corporate communications for a fee of $2,500 per month for a period of 12 months.

Effective June 1, 2013, the Company entered into consulting agreements as follows:

iii. Consulting agreement with RBH Consulting Inc., a company fully owned by a director and officer of the Company, to provide consulting services to the Company for a fee of $96,000 per year (note 11);

iv. Consulting agreement with Cydweli Consultants Inc., a company fully owned by an officer of the Company, to provide consulting services to the Company for a fee of $60,000 per year. On June 1, 2014, the Company increased the fee to $96,000 per year (note 11);

v. Consulting agreement with Judi Dalling, CFO of the Company, to provide consulting services to the Company for a fee of $65,000 per year (note 11); and

vi. Consulting agreement with 442668 BC Ltd. to provide consulting services to the Company for a fee of $60,000 per year.

Each of these agreements includes an automatic renewal clause, unless notification is provided by either party. In addition to the fees set forth above, incentive bonuses may be granted at the discretion of the Board of Directors.

Accounting standards not yet implemented

The following standards have been issued but are not yet effective. They may result in future changes to accounting policies and other note disclosures.

Certain new standards, interpretations and amendments to existing standards are not yet effective as of November 30, 2014 and have not been applied in preparing these consolidated financial statements. The Company is assessing the impact of these standards on its consolidated financial statements:

IFRS 9 Financial Instruments (2014)

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to the Company's annual periods beginning on December 1, 2018.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amends IAS 32 *Financial Instruments: Presentation* to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of "currently has a legally enforceable right of set-off"
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

Applicable to the Company's annual periods beginning on December 1, 2014.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

Amends IAS 36 *Impairment of Assets* to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

Applicable to the Company's annual period beginning on December 1, 2014.

Financial Instruments & Other Instruments

(a) Fair values

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at November 30, 2014 and 2013, the Company's financial instruments are comprised of cash and cash equivalents, short-term investments, and accounts payable and accrued liabilities. With the exception of cash and cash equivalents and short-term investments, all financial instruments held by the Company are measured at amortized cost.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and short-term investments. The Company limits its exposure to credit loss by placing its cash and cash equivalents and short-term investments with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

		2014		2013
Cash and cash equivalents	$	394,711	$	44,030
Short-term investments		-		1,105,468
	$	394,711	$	1,149,498

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At November 30, 2014, the Company had cash and cash equivalents of $394,711 (2013: $44,030) and short-term investments of $nil (2013: $1,105,468) available to apply against short-term business requirements and current liabilities of $90,793 (2013: $73,470). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of November 30, 2014.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools.

As at November 30, 2014 and 2013, the Company's net exposure to foreign currency risk is as follows:

US dollars		2014		2013
Cash	$	549	$	3,896
Accounts payable		48,494		-
Net exposure to foreign currency risk		47,945		3,896
Canadian dollar equivalent	$	54,787	$	4,129

Based on the above net foreign currency exposure, and assuming all other variables remain constant, a 7% weakening or strengthening of the Canadian dollar against the US dollar would not have a material effect on the Company's net loss and comprehensive loss.

(e) Other price risk

Other price risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

Changes in Accounting Policies

The Company has not made any changes to accounting policies during the year ended November 30, 2014. Refer to note 3 in the consolidated financial statements for the year ended November 30, 2014 for the Company's significant accounting policies. Certain pronouncements were issued by the IASB that are mandatory for annual years beginning after January 1, 2014. The changes have not been early adopted are being evaluated to determine if there will be an impact on the Company.

Risks and Uncertainties

Overview

An investment the Company'shares should be considered highly speculative due to the nature of the the Company's business and the present stage of its development. In evaluating the company and its business, shareholders should carefully consider, in addition to the other information contained in this management discussion and analysis, the following risk factors. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Competition
The market for the Company's technology is highly competitive. The Company competes with other research teams who are also examining potential therapeutics with regards to autoimmune diseases and disorders. Many of its competitors have greater financial and operational resources and more experience in research and development than the Company. These and other companies may have developed or could in the future develop new technologies that compete with the Company's technologies or even render its technologies obsolete.

Competition in the Company's markets is primarily driven by:

- timing of technological introductions;
- ability to develop, maintain and protect proprietary products and technologies; and
- expertise of research and development team.

Litigation to Protect Company's Intellectual Property
The Company's future success and competitive position depends in part upon its ability to maintain its intellectual property portfolio. There can be no assurance that any patents will be issued on any existing or future patent applications. Even if such patents are issued, there can be no assurance that any patents issued or licensed to the Company will not be challenged. The Company's ability to establish and maintain a competitive position may be achieved in part by prosecuting claims against others who it believes to be infringing its rights. In addition, enforcement of the Company's patents in foreign jurisdictions will depend on the legal procedures in those jurisdictions. Even if such claims are found to be invalid, the Company's involvement in intellectual property litigation could have a material adverse effect on its ability to distribute any products that are the subject of such litigation. In addition, the Company's involvement in intellectual property litigation could result in significant expense, which could materially adversely affect the use responsibilities, whether or not such litigation is resolved in the Company's favour.

Clinical testing and Regulatory approval
Since the Company's success is dependent on the successful completion of a third party pre-clinical trials, regulatory approval and introduction of its technology into the market, and since the Company has completed none of the tasks at this time, the Company does not know if it will be able to complete them.

The actual timing of these events can vary dramatically due to factors such as delays or failures in the Company's clinical trials and the uncertainties inherent in the regulatory approval process. The Company might not be able to obtain the necessary results from its pre-clinical trials or to gain regulatory approval necessary for licensing its technology. The Company's failure to achieve these objectives will mean that an investor will not be able to recoup their investment or to receive a profit on their investment.

Intellectual Property
The Company's success depends to a significant degree upon its ability to develop, maintain and protect proprietary products and technologies. The Company files patent applications in the United States, Canada, Europe, and selectively in other foreign countries as part of its strategy to protect its proprietary products and technologies. However, patents provide only limited protection of the Company's intellectual property. The assertion of patent protection involves complex legal and factual determinations and is therefore uncertain and expensive. The Company cannot provide assurances that patents will be granted with respect to any of its pending patent applications, that the scope of any of its patents will be sufficiently broad to offer meaningful protection, or that it will develop additional proprietary technologies that are patentable. The Company's current patents could be successfully challenged, invalidated or circumvented. This could result in the Company's patent rights failing to create an effective competitive barrier. Losing a significant patent or failing to get a patent to issue from a pending patent application that the Company considers significant could have a material adverse effect on its business. The laws governing the scope of patent coverage in various countries continue to evolve. The laws of some foreign countries may not protect the Company's intellectual property rights to the same extent as the laws of Canada and the United States. The Company holds patents only in selected countries. Therefore, third parties may be able to replicate technologies covered by the Company's patents in countries in which it does not have patent protection.

Legal Proceedings
In the course of the Company's business, the Company may from time to time have access to confidential or proprietary information of third parties, and these parties could bring a claim against the Company asserting that it has misappropriated their technologies and had improperly incorporated such technologies into its products. Due to these factors, there remains a constant risk of intellectual property litigation affecting the Company's business. In the future, the Company may be made

a party to litigation involving intellectual property matters and such actions, if determined adversely, could have a material adverse effect on the Company.

Dependence upon Management

Although the Company Issuer is expected to have experienced senior management and personnel, it will be substantially dependent upon the services of a few key personnel, particularly Robin Hutchison, Wilfred Jefferies and Reinhard Gabathuler, for the successful operation of its business. The loss of the services of any of these personnel could have a material adverse effect on the business of the Company. The Company may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If it loses any of these persons, or is unable to attract and retain qualified personnel, its business, financial condition and results of operations may be materially and adversely affected.

Going Concern

The ability of the Company to continue as a going concern is dependent on its ability to generate future profitable operations and to obtain additional debt or equity financing. There can be no assurance that the Company's operations will achieve profitability in the future or that the the Company will be able to successfully obtain financing on commercially reasonable terms or at all.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the Company's research and development programs will be required. No assurances can be given that the the Company will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, or even cease its operations.

Reliance on Third Parties

The Company is relying on a third party to assist it in conducting both pre-clinical and clinical trials. If this third party does not successfully carry out their contractual duties or meet expected deadlines, the Company may not be able to obtain regulatory approval for or commercialize its technology.

Unproven market

The Company believes that there will be many different applications for its technologies and that the anticipated market for these technologies will continue to expand. However, no assurance can be given that these beliefs will be correct owing, in particular, to competition from existing technologies or new technologies and the yet to be established replication of the Company's pre-clinical results.

Limited Operating History

The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future.

Conflicts of Interest

Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including research and development companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The *Business Corporations Act*, (British Columbia) ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Market risk

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Other MD&A Requirements

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – www.sedar.com.

Disclosure by venture issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates.

Outstanding share data

Common shares issued and outstanding as at November 30, 2014 are described in detail in Note 8 to the consolidated financial statements for the year ended November 30, 2014.

As at the date of this document, March 24, 2015 the Company had the following number of securities outstanding:

	Number of shares	$	Number of options	Exercise price	Expiry date
Issued and outstanding	24,673,417	3,033,758	175,000	$0.10	May 3, 2017
			1,325,000	$0.23	June 19, 2018
			150,000	$0.20	September 24, 2018
			200,000	$0.25	January 27, 2016